



Press Release: 08/26/2022

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Families Drowning in Utility Debt – Families Owe More than \$16 Billion

The National Energy Assistance Directors Association (NEADA) representing the state directors of the Low Income Home Energy Assistance Program (LIHEAP) today released data showing that more than 20 million families, about one out of six American families, are behind on their utility bills. In total, these families owe about \$16 billion, up from about \$8.1 billion at the end of December 2019. During this period the average amount owed increased from about \$403 to \$792.

While these numbers sound alarming, they would have been even worse if Congress did not provide an additional \$4.5 billion for LIHEAP, the primary federal program to help families afford their energy bills, as part of the American Rescue Plan Act.

The increase in utility debt is coming at time that families are also experiencing an [increase in the cost of essential items](#) including food, shelter, gasoline and home energy. For example, in the last 12 months food has increased by 10.9%, shelter 5.7%, electricity 15.5% and natural gas 30.5%.

The increase in the energy burden for families in the bottom 40% of the US income distribution, is of even greater concern. Between 2020 and 2021, families spent an average of \$3,098 to \$3,420 on energy costs and the amount spend on gasoline increased from \$1,035 to \$1,548. For 2022, NEADA has estimated that the cost of utility services will increase to \$3,803 reflecting continued high prices for natural gas, heating oil and propane, as well this summer's heat waves that increased the cost of air conditioning from an average of \$450 last summer to about \$600.

According to Mark Wolfe, Executive Director of NEADA, the LIHEAP appropriation is insufficient to address the increase in energy prices, rising summer temperatures, and the subsequent rise in utility arrearages. The nation is heading towards a period of unaffordable energy prices and Congress must increase funding for LIHEAP to offset the increase in high energy prices and help lower income families address afford the high cost of heating and cooling.

Preliminary data suggests that the utility arrearages will continue to rise this winter as all signs point to higher home energy prices as natural gas hits a 16 year high with no end in sight. NEADA will be releasing its Energy Hardship Report providing estimates of winter heating prices and energy burden data on September 12, 2022.

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The National Energy Assistance Directors Association (NEADA) is the primary educational and policy organization for the state directors of the Low Income Home Energy Assistance Program (LIHEAP). LIHEAP is a federal program providing formula grants to states to help low-income families pay their heating and cooling bills.